



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
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2014-01-13

Mr. Geoffrey Young
Newfoundland and Labrador Hydro
P.O. Box 12400
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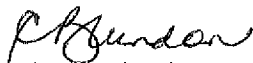
Dear Sirs:

Re: Newfoundland and Labrador Hydro - Application for Approval of the Rate Stabilization Plan Rules and Refunds to Newfoundland Power and Hydro Rural Customers – Request for Information

Enclosed are Information Requests SR-PUB-NLH-1 to SR-PUB-NLH-13 regarding the above noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jgynn@pub.nl.ca or telephone, (709) 726-6781.

Yours truly,


Cheryl Blundon
Board Secretary

/bds
Encl.

ecc. **Newfoundland & Labrador Hydro**
Mr. Fred Cass, E-mail: fcass@airdberlis.com
Newfoundland Power Inc.
Mr. Gerard Hayes, E-mail: ghayes@newfoundlandpower.com
Mr. Liam O'Brien, E-mail: lobrien@curtisdawe.nf.ca
Consumer Advocates
Mr. Thomas Johnson, E-mail: tjohnson@odeaearle.ca
Ms. Colleen Lacey, E-mail: clacey@odeaearle.ca

1 **IN THE MATTER OF**

2 the *Electrical Power Control Act, 1994*,
3 SNL 1994, Chapter E-5.1 (the "*EPCA*")
4 and the *Public Utilities Act*, RSNL 1990,
5 Chapter P-47 (the "*Act*"), as amended; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval
9 of the Rate Stabilization Plan rules and a refund
10 to be provided to Newfoundland Power customers
11 and to Newfoundland and Labrador Hydro Rural
12 Customers pursuant to section 71 of the *Act*.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

SR-PUB-NLH-1 to SR-PUB-NLH-13

Issued: January 13, 2014

SR-PUB-NLH-1 Paragraph 7 of Order in Council OC2013-089 as amended by OC2013-207 states that:

"Newfoundland Power's portion of the Rate Stabilization Plan Surplus shall be distributed as a direct payment or rebate to its ratepayers and shall not be in the form of an electricity rate adjustment;"

Explain how Hydro's proposal to distribute an amount from Newfoundland Power's portion of the Rate Stabilization Plan Surplus to Hydro's Rural customers is in compliance with the Order in Council which states that (1) there is to be a direct payment or rebate to Newfoundland Power's ratepayers and (2) the RSP Surplus adjustment shall not be in the form of an electricity rate adjustment.

SR-PUB-NLH-2 Page 3, lines 20-22 of the Evidence - Hydro states that:

"As directed by Government, Hydro is filing a RSP Surplus refund plan with the Board during the present GRA process which recommends a refund to customers, and not an electricity rate adjustment."

Footnote 8 on page 15 of the Evidence – Hydro states that:

"In keeping with the direction of Government's Order in Council, Hydro did not apply for an electricity rate adjustment but rather has proposed a refund to customers. It is Hydro's position that the "Policy for Automatic Rate Changes" still applies in this case since the effective rate ([Cost less Refund]/kWh) for customers' electricity will be reduced as a result of the RSP refund"

Explain how the proposed rebate is not considered a rate adjustment for the purpose of Order in Council OC2013-089 as amended by OC2013-207 and is considered a rate adjustment for purposes of the Policies for Automatic Rate Changes which are outlined on pages 13-14 of the Evidence.

SR-PUB-NLH-3 Page 11, lines 11-13 of the Evidence – Provide the analysis Hydro completed showing the estimated scope and cost of the administrative effort that would be required if historical electricity consumption were used as the basis for allocating the refund.

SR-PUB-NLH-4 Pages 13-14 of the Evidence - List the Orders in Council Hydro relies on for the automatic changes in rates for Rural Customers described on pages 13-14 of the Evidence and explain the basis on which Hydro relies on such Orders in Council.

- 1 **SR-PUB-NLH-5** Page 15, lines 3-6 of the Evidence – Provide a detailed explanation of each
 2 incident referred to where Newfoundland Power issued rebates to their
 3 customers that were also given to Hydro Rural Customers, including the
 4 total amounts rebated by Hydro, the circumstances leading to the rebates,
 5 the process used to determine the amount of rebate issued to each rural
 6 customer, how the rebates were processed, the dates rebates were issued
 7 by Hydro and any Board Orders approving the rebate process for Rural
 8 Customers.
 9
- 10 **SR-PUB-NLH-6** Pages 15-16 of the evidence - Provide a detailed calculation illustrating
 11 the “*Current Approach*” method for the proposed refund to Rural
 12 Customers.
 13
- 14 **SR-PUB-NLH-7** Pages 15-16 of the Evidence – Section B, section 1.3 of the RSP Rules
 15 addresses changes in Rural Rates between GRAs as a result of changes in
 16 Newfoundland Power rates. Explain in detail how under the “*Current*
 17 *Approach*” decreases/increases in Rural Rates between GRAs impact
 18 Newfoundland Power, Labrador Interconnected Customers and Hydro and
 19 what differences in impact, if any, there would be for Newfoundland
 20 Power, Hydro and Labrador Interconnected Customers with the
 21 “*Proactive Approach*” proposed by Hydro.
 22
- 23 **SR-PUB-NLH-8** Page 16, lines 6-9 of the Evidence - It is stated that the amount of the
 24 refund to Rural Customers, which would result in a subsequent RSP
 25 collection from Newfoundland Power customers is approximately \$9
 26 million. Provide the calculation used to determine the amount of \$9
 27 million.
 28
- 29 **SR-PUB-NLH-9** Page 17, lines 6-10 of the Evidence – Hydro states that:
 30
 31 *“Based on the Board's ruling in this matter, it is anticipated that*
 32 *any new required RSP rules and other changes required for*
 33 *implementation, as well as the final calculation of the NP RSP*
 34 *Surplus refund amount, including financing, will form part of*
 35 *future applications to the Board by NP and Hydro in order to*
 36 *implement the Board's Order on the NP RSP Surplus refund.”*
 37
 38 If this application is approved as presented, what changes to the Rate
 39 Stabilization Plan will be required in order to implement the Board Order?
 40 Provide specific wording.
 41
- 42 **SR-PUB-NLH-10** Describe all reasonable alternatives that could be considered to distribute
 43 the Rate Stabilization Plan Surplus.
 44
- 45 **SR-PUB-NLH-11** Paragraph 6 of the Order in Council OC2013-089 as amended by
 46 OC2013-207 references “*ratepayers*” in a general sense, with specific
 47 reference to the exclusion of “Island industrial customers”. How has

Hydro determined what customers should be included in the distribution of the Rate Stabilization Plan Surplus that has been transferred to the credit of Newfoundland Power's Rate Stabilization Plan? Include in the response Hydro's reasons for not including Labrador Interconnected customers and Government customers and how Hydro's proposal complies with the Order in Council.

SR-PUB-NLH-12

In the refund or rebate that Hydro intends to provide to Rural Isolated customers, how does Hydro intend to calculate the amount that it will refund to each customer? Include a discussion of the kilowatt hours (lifeline block or other block usage) that will be used and the amount that will be refunded for usage from each block.

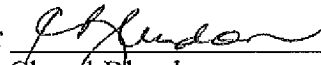
SR-PUB-NLH-13

In implementing Order in Council OC2007-304 Hydro treated the Northern Strategic Plan Subsidy as a rebate to the electricity bills of Labrador Rural Isolated and L'Anse au Loup residential electricity customers without treating the rebate as a rate adjustment. Explain why a rebate or refund from the RSP Surplus to Newfoundland Power customers should not be implemented using the same rationale, with no rate adjustment and no flow through the RSP as is done for the Northern Strategic Plan Subsidy.

DATED at St. John's, Newfoundland this 13th day of January, 2014.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per



Cheryl Blundon
Board Secretary